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FISCAL IMPACT REPORT

SPONSOR	SCC	ORC	CRIGINAL DATE LAST UPDATED	01/31/11 03/06/11	нв	
SHORT TITLE		Health Care Provider Protection Act			SB	22/SCORCS
				ANAI	YST	Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund Affected
FY11	FY12	or Non-Rec	
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Corporations and Transportation Committee substitute for Senate Bill 22 enacts the health care provider protection act (act) and expands protections within the existing Patient Protection Act. The bill provides statutory protections to providers with respect to Managed Health Care Plan (MHCP) reimbursement procedures. The definition of a MHCP in the bill excludes health care services under Medicare, managed care organizations (MCOs) contracted to manage Medicaid services, and insurers offering a fee-for-service indemnity benefit, accident-only or disease-specific policies, or student health insurance.

A MHCP provider reimbursement determination must not exceed twenty-four hours for emergency care and seven days for all other conditions. MHCPs will be required to maintain a website listing of the status of all claims submitted by a provider. The bill supports provider notification by a MHCP of conditions affecting payment within fifteen days and limits recoupment or overpayment claims to eighteen months. The bill requires a MHCP to provide technical assistance and training to contracted providers on its administrative and financial procedures. The bill mandates the use of provider uniform credentialing forms and verification of the qualifications of a provider within forty-five days of receipt of the completed form.

FISCAL IMPLICATIONS

The bill does not contain an appropriation.

Senate Bill 22/SCORCS – Page 2

It is unknown to what degree conflicts over provider credentialing, re-credentialing, provider reimbursement requests or plan reimbursement requests impact our health care delivery system in New Mexico.

SIGNIFICANT ISSUES

The bill attempts to create a process to avoid future conflicts between health care providers and MHCPs over provider credentialing and re-credentialing, provider reimbursement (payment requests), and reimbursement (payment) recoupment procedures. Reimbursement recoupment means a MHCP's request to a health care provider for repayment of claim payments paid to the provider for a patient later deemed ineligible for plan benefits.

The bill attempts to expand on the reimbursement guidelines in Section 59A-16-21.1 NMSA 1978. This Section currently provides that if a plan is unable to determine liability for or refuses to pay a claim of a provider within thirty days if submitted electronically or forty-five days if submitted manually, the plan shall make a good-faith effort to notify the provider by fax, electronic or other written communication within thirty days of receipt of the claim, of all specific reasons why it is not liable for the claim or that specific information is required to further determine liability for the claim.

The bill requires that a plan shall not seek reimbursement recoupment from a provider if the plan erroneously assigns benefits and pays for health care services that are not part of the plan.

The bill further requires that a plan shall offer provider training in its administrative and financial procedures at least quarterly in several locations around the state.

MHCPs will be required in Statute to adopt and implement grievance procedures and a fair hearing process that include the right of a provider to dispute the existence of adequate cause to terminate his/her participation with the plan.

PERFORMANCE IMPLICATIONS

If an unresolved dispute exists between a health care provider and a MHCP, either party may ask the Public Regulation Commission's Insurance Division to review the matter and issue a decision.

The provisions of the bill will apply to contracts between a plan and a provider entered into after July 1, 2011.

ADMINISTRATIVE IMPLICATIONS

Human Services Department managed care contracts are excluded from the provider reimbursement request guidelines and plan reimbursement recoupment procedures as defined in the bill. These contracts provide for provider training in accordance with Centers for Medicare and Medicaid Services (CMS) requirements. CMS also has its own provider reimbursement request guidelines and plan reimbursement recoupment procedures.

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TECHNICAL ISSUES

The bill will require a MHCP to maintain a website listing the status of all claims submitted to the plan by a provider. The bill is silent as to whether these websites will be required to meet federal and state requirements for patient privacy.

The bill will allow a plan to submit only one reimbursement recoupment request per individual claim to the health care provider.

OTHER SUBSTANTIVE ISSUES

Healthcare providers subject to an audit must be cognizant of insurer appeals regulations, as those regulations impact the rights of providers to challenge an audit determination.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There may be no uniform approach to provider grievances regarding credentialing, recredentialing, provider reimbursement requests or plan reimbursement recoupment requests for certain MHCPs operating in New Mexico.

AHO/svb:bym